



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1789 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Jane Dee Hull
Governor

John L. Clayton
Director

October 2, 2002

WIA GUIDANCE LETTER #14-02

This Guidance Letter Rescinds JTPA Information Memo #2-96 Dated July 30, 1996.

SUBJECT: Management of Equipment Purchased with WIA Funds

REFERENCE: P.L. 105-220, Section 195 (9)(B)(11) and 505 (b)(1) of the Workforce Investment Act of 1998; 20 CFR §652, §660 et al, WIA Final Rules dated August 11, 2000; OMB Circular A-87; 29 CFR § 97 and OMB Circular A-110.

BACKGROUND: This policy letter promulgates the property control and management requirements for the state and its Local Workforce Investment Areas (LWIAs) under the Workforce Investment Act (WIA) and its Regulations.

DEFINITIONS:

A unit of property is defined as a single piece of equipment, except in the case where more than one piece of equipment is needed to make an entire system functional such as a computer or telephone system. For example, when purchasing a computer, the monitor, keyboard, printer, and hard drive are all to be considered as a component of the total system, with the total system defined as a unit of property. After initial acquisition of such a system, any component part upon replacement shall be considered as a single unit of property for that type of transaction.

- A. **Expendable Personal Property** means all tangible personal property other than non-expendable personal property with a unit acquisition cost of **less than \$5,000 ***.
- B. **Non-expendable Personal Property** is tangible personal property having a useful life of more than two (2) years and a unit acquisition cost of **\$5,000 or more ***. The LWIA may use its own definition provided that such definition includes all tangible non-expendable personal property covered under the above criteria.

***NOTE** The cost thresholds shown here represent a revision to the thresholds used under JTPA.

The following chart describes the state's responsibilities, as well as the responsibilities of each LWIA in the acquisition, tracking, and disposal of property as required under the WIA and its regulations.

Enclosed with this letter are the state forms associated with property management that must be completed as outlined in the following chart.

ROLES AND RESPONSIBILITIES:

STATE WDA	LOCAL WORKFORCE INVESTMENT AREA	
	<i>Cost Under \$5,000</i>	<i>Cost \$5,000 + Over</i>
A. ACQUISITION OF EQUIPMENT:		
1. Advise LWIAs regarding property management procedures.	a. Establish written policy and tracking for purchases of expendable personal property per contract with WDA.	a. Follow WDA policies regarding non-expendable personal property management.
2. Review and approve all requests for non-expendable personal property.	a. Purchase any needed expendable personal property with a unit acquisition cost of less than \$5,000.	Obtain prior approval of WDA Technical Unit (Systems Program Manager): a. before purchasing non-expendable personal property with a unit acquisition cost of \$5,000 or more. Prior approval will be deemed to be granted when specific items to be purchased are included in an approved Plan/Scope of Work or modification, or amendment thereto. b. before entering into a lease/purchase agreement for expendable personal property costing \$5,000 or more.
B. INVENTORY CONTROL		
3. Maintain an inventory of all non-expendable personal property (i.e., \$5,000 or more) purchased by LWIAs.	a. Maintain records of all expendable personal property purchased.	a. Complete a FES -1000A (Contractor's Equipment List) for all non-expendable personal property purchased and send to WDA Technical Unit.
	b. Maintain a property management program to keep the property in good condition.	b. When there are several components of a system, the unit acquisition cost is the cost of the total system (the sum of the components). When the unit acquisition cost is \$5,000 or more and has a useful life of more than two (2) years, all components of that system must be included in the inventory and be identified with a State tag.

STATE WDA	LOCAL WORKFORCE INVESTMENT AREA	
	<i>Cost Under \$5,000</i>	<i>Cost \$5,000 + Over</i>
	c. Property records of all expendable personal property shall include: (1) DES Asset Number (2) Item Description (3) Manufacturer (4) Serial Number (5) Acquisition Date (6) Physical Location (7) Total Item Cost (8) DES Contract Cost (9) Inventory Date	c. Property records of all non-expendable personal property shall include: (1) DES Asset Number (2) Item Description (3) Manufacturer (4) Serial Number (5) Acquisition Date (6) Physical Location (7) Total Item Cost (8) DES Contract Cost (9) Inventory Date
4. Perform on-site property reviews once a year to determine that property is appropriately tagged and that state and local property management procedures are established and adhered to.	a. Conduct inventories of property at least annually to verify the existence, current utilization and continued need for property, and reconcile inventory to property records.	
C. LOST, DAMAGED OR STOLEN PROPERTY		
1. Investigate loss, damage, or theft of non-expendable property, and fully document in WDA file.	Stolen expendable personal property: a. Report stolen expendable personal property to local law enforcement. A police report must be retained and inventory records annotated accordingly.	Stolen non-expendable personal property: a. Report stolen non-expendable personal property to local law enforcement. A police report must be retained and inventory records annotated accordingly b. Notify WDA Technical Unit in writing of loss, damage, or theft, including a copy of the police report.

STATE WDA	LOCAL WORKFORCE INVESTMENT AREA	
	<i>Cost Under \$5,000</i>	<i>Cost \$5,000 + Over</i>
D. DISPOSITION:		
<p>1. Approve requests for WDA on proper disposition of all property.</p> <p>Notify DES within 30 days of loss, damage or theft of LWIA non-expendable personal property.</p>	<p>a. Lost, damaged or transferred expendable personal property: Prepare a statement of circumstances regarding the loss or damage of expendable personal property and retain this record. Inventory records are annotated accordingly.</p>	<p>a. Lost or damaged property: Prepare a statement of circumstances regarding the loss or damage of non-expendable personal property and retain this record. Inventory records are annotated accordingly.</p> <p>b. Notify WDA in writing of the loss or damage.</p>
<p>2. Notify DES within 30 days of transfer of LWIA non-expendable personal property.</p>	<p>a. Transferred property: Prepare a statement of circumstances regarding the transfer of expendable personal property and retain this record. Inventory Records are annotated accordingly.</p>	<p>a. Transferred property: Complete a J-320 (Equipment Transfer/Surplus Request) for all non-expendable personal property purchased, and retain a copy.</p> <p>b. Send the completed J-320 to WDA Technical Unit within 30 days of transfer of property.</p>
<p>3. Notify DES within 30 days of disposal/surplus of LWIA non-expendable personal property.</p>	<p>a. Dispose/Surplus expendable personal property: Title to unneeded non-expendable personal property acquired with WIA funds with a unit acquisition cost up to \$5,000 rests with the LWIA. The LWIA may sell the property and retain the proceeds for use in WIA programs as required by 29 CFR §97 and OMB Circular A-110, or divided in accordance with terms of inter-local agreements.</p> <p>b. Inventory records are annotated accordingly.</p>	<p>a. Dispose/Surplus non-expendable personal property: Obtain approval from WDA for all dispositions of property with a unit acquisition cost of \$5,000 or more, when property is no longer needed for WIA activities.</p> <p>b. Notify WDA in writing regarding the disposal/surplus of non-expendable personal property and retain this record.</p>

STATE WDA	LOCAL WORKFORCE INVESTMENT AREA	
	<i>Cost Under \$5,000</i>	<i>Cost \$5,000 + Over</i>
	c. If property is deemed worthless, documentation needs to be provided to establish this fact. Property may not be donated to another agency unless it is worthless; value may be established by an appraiser. Any written documentation must be maintained in accordance with record retention requirements.	<p>Ultimate disposition of data must include date of disposition and selling price or method used to determine current fair market value where a grant recipient compensates the State for its share.</p> <p>c. Inventory records are annotated accordingly.</p> <p>d. Send WDA Technical Unit a letter detailing date of disposition and selling price or method used to determine current fair market value within 30 days of disposal/surplus of non-expendable personal property.</p> <p>e. Grant recipients may retain property for other uses, with WDA approval, provided that compensation (% of WIA participation) at current fair market value is made to WDA.</p>

ACTION REQUIRED: Each LWIA shall create a policy for purchasing and maintaining inventory of expendable personal property; maintain an inventory file/database and records for expendable and non-expendable property; and keep WDA informed of the purchase, loss, damage, theft, transfer, and disposal/surplus of all non-expendable personal property, as required in the above chart.

Please distribute this information to all individuals in your LWIA who are responsible for maintaining records of equipment acquisition and disposal.

If you have questions, please contact Mr. Edgar Casasola, Systems Program Manager at (602) 542-2482.

Sincerely,

Stan Flowers
Program Administrator (Actg)
Workforce Development Administration

SF:MAD:gg

Enclosures

Instructions for J-320
EQUIPMENT TRANSFER/SURPLUS REQUEST

- A. **INSTRUCTIONS:** Complete this form whenever DES-owned equipment is transferred from one cost center to another cost center or to DES Surplus for pick-up request. It is the responsibility of each office to arrange equipment transportation between cost centers.
- B. **SENDER:** When the form information has been completed, save it as an MS Word document. Attach the MS Word document to an e-mail. Address the e-mail to the appropriate staff receiving the equipment. Copy the e-mail to DBF Equipment Services and additional program staff as necessary. If the J-320 is a Surplus Request, copy the DES Surplus Unit staff.
- C. **RECEIVER:** Upon receipt of this form from the sender, confirm arrangements for receipt of the equipment. If you receive the e-mail prior to receiving the equipment, do not delete the e-mail. When the equipment is physically received, re-open the original e-mail attachment and confirm receipt of each item by checking the "Rec'd." box to the far right of each equipment item line.

Reply to the sender of the e-mail with changes (if any) and receipt confirmation. Ensure the DBF Equipment Services is sent a copy of the reply with the changes (if any). If you have any questions, please contact DBF Equipment Services at (602) 271-0597, ext. 7059.

To proceed with the completion of this form, complete the information for each item being transferred.

Place an (X) in the appropriate box that applies. Do not mix surplus and equipment transfer requests on the same form. Complete a separate form for each transaction type.

☐ Equipment transfer ☐ Surplus transfer

DOES THIS EQUIPMENT REQUIRE FEDERAL APPROVAL FOR DISPOSAL

☐ Yes ☐ No If yes, a copy of the letter authorizing the disposal must be faxed to (623) 907-2193 within 24 hours of submitting the J-320. We will not pick up any equipment unless this letter is received.

If this request entails the pick up of a copier, it will NOT be transported UNLESS a copy of the invoice to drain the copier is attached to the equipment at time of pick up.

SPECIAL INSTRUCTIONS OR COMMENTS.

TRANSFER EFFECTIVE DATE

TRANS. COST CTR (ORGN)	TRANSFERRING PROGRAM	TRANS. LOC. NO.
------------------------	----------------------	-----------------

TRANSFERRING OFFICE ADDRESS (No., Street, City, ZIP)

CONTACT PERSON AT TRANSFERRING OFFICE	PHONE NO.
---------------------------------------	-----------

REC. COST CTR (ORGN)	RECEIVING PROGRAM	REC. LOC. NO.
----------------------	-------------------	---------------

RECEIVING OFFICE ADDRESS (No., Street, City, ZIP)

CONTACT PERSON AT RECEIVING OFFICE	PHONE NO.
------------------------------------	-----------

*For Surplus: For REC. COST CTR. type in 128D and for CONTACT PERSON AT RECEIVING OFFICE type in Surplus

CONDITION CODES: 1. Excellent 2. Good 3. Fair – minor repairs 4. Poor – major repairs 5. Condemnable

[illegible]

- ☐ **Contract Inception**
 - ☐ **Annual Inventory**
 - ☐ **End-of-Contract Inventory**

Page _____ of _____

CONTRACTOR'S EQUIPMENT LIST

(Capital and Stewardship Equipment Items)

CONTRACTOR'S NAME (Legal name and DBA/Doing Business as name)

FELSSN

MAILING ADDRESS (P.O. Box or No., Street, City, State, Zip)

[illegible]

Completion Instructions for FES-1000AFORMA
CONTRACTOR'S EQUIPMENT LIST
(Capital and Stewardship Equipment Items)

A. Purpose.

To facilitate the inventory control of capital and stewardship equipment purchased with Department contract funds.

B. Completion.

The following sections must be completed by the contractor within 30 days of acquisition of equipment purchased with contract funds and annually thereafter until the contract's termination. At the contract's conclusion date, an end-of-contract inventory is completed. ALL INFORMATION IS TO BE TYPED. All items are self-explanatory except:

CONTRACTOR'S NAME. Enter legal name and DBA (*doing business as*) name.

FEI OR SSN. Enter the federal employer identification number or social security number as applicable.

DES CONTRACT NO. Enter the contract number through which the equipment was purchased or acquired.

INVENTORY DATE. Enter the date form is prepared.

DES ASSET NO. Leave blank. This number will be entered by the Department. If the Department has previously provided a number, enter it.

ITEM DESCRIPTION. Enter the type of item and model number.

ACQUISITION DATE. Enter the acquisition date of purchased equipment item.

PHYSICAL LOCATION. Enter the address where the equipment is located. Do not use a "P.O. Box" designation.

TOTAL ITEM COST. Enter the total cost of the equipment item.

DES CONTRACT COST. Enter the amount of contract funds used to acquire the item.

CONTRACTOR'S SIGNATURE. The individual delegated authority for the inventory control must sign the form.

Shaded area is to be completed by DES staff.

C. Routing.

The contractor submits the form to the DES Program Division/Administration Contract Unit within 30 days of the acquisition of the item and annually thereafter. Upon receipt, the DES Program Division/Administration will forward the completed form to the Fleet and Equipment Services Unit, DBTS at site code 812Z-1.

